<u>REMARKS</u>

Applicants respectfully request consideration of the subject application as amended herein. This Amendment is submitted in response to the Final Office Action mailed July 18, 2006. Claims 89, 91-94, 96-99, 103-115, 119-132, 134, 135, 137 and 138 stand rejected. In this Amendment, Claims 89, 94, 99, 115, 131, 134, 137 and 138 have been amended. No new matter has been added.

Claims

The Examiner objected to claims 107 and 119 for minor informalities. Claims 107 and 119 have been amended to remove the informalities.

Claims 89, 91, 94, 96, 99, 103-115, 119-132 and 134-135 are rejected under 35 U.S.C. §102(e) as being anticipated by Fraser, et al., (U.S. Patent No. 5,905,974, hereinafter "Fraser"). Claims 92, 93, 97 and 98 are rejected under 35 U.S.C. §103(a) as being unpatentable over Fraser, in view of Fisher, et al., (U.S. Patent No. 5,835,896, hereinafter "Fisher"). Claims 137-138 are rejected under 35 U.S.C. §103(a) as being unpatentable over Fisher, in view of Fraser. As discussed below, the pending claims are patentable over the cited references.

Fraser discloses a system for implementing transaction management of auction-based trading for specialized items. Fraser discloses a when state that is triggered by a trading command against an uncleared bid by a new bidder who is not one of the original bidders. The when state provides an additional time for the original bidders to allow them to asses the situation and respond to it before executing the trading command of the new bidder.

The Examiner asserts that the when state in Fraser is an equivalent of the pending state claimed in the present invention. Applicants respectfully disagree. The when state in Fraser is

set before the auction reaches its closing time. Moreover, the when state allows bids from the original bidders to be accepted. In the presently claimed invention, in contrast, the pending state is set upon determining that the closing time is reached, and no bids can be accepted during the pending state. Hence, the pending state claimed in the present invention is not an equivalent of the when state disclosed in Fraser. Accordingly, Fraser does not teach or suggest the features of the present invention that are included in the following language of claim 89:

...upon determining that said closing time is reached, setting said bid status to a pending status for said lot, said pending status indicating that no bids are temporarily accepted on said lot; ...

Similar language is also included in independent claims 94, 99, 115, 131, 134, 137 and 138. Accordingly, the present invention as claimed in claims 89, 94, 99, 115, 131, 134, 137 and 138, and their corresponding dependent claims, is not anticipated by Fraser.

Fisher does not help Fraser to render the presently claimed invention unpatentable. Fisher discloses a system for conducting a multi-person, interactive auction. The system allows a group of bidders to interactively place bids over a computer or communications network. Those bids are recorded by the system and the bidders are updated with the current auction status information. When appropriate, the system closes the auction from further bidding and notifies the winning bidders and losers as to the auction outcome. Fisher does not teach or suggest setting a bid status of a lot to a pending status. Much less does Fisher teach setting the bid status of the lot to a pending status upon determining that the closing time is reached, where the pending status indicates that no bids are temporarily accepted on the lot, as claimed in the present invention. Hence, Fisher lacks the same features that are missing from Fraser.

Accordingly, the present invention as claimed in claims 89, 94, 99, 115, 131, 134, 137 and 138, and their corresponding dependent claims, is patentable over the cited references taken

alone or in combination. Applicants respectfully request the withdrawal of the rejections under 35 U.S.C. §§102(e) and 103(a), and submit that the pending claims are in condition for

DEPOSIT ACCOUNT AUTHORIZATION

Authorization is hereby given to charge our Deposit Account No. 02-2666 for any charges that may be due. Furthermore, if an extension is required, then Applicant hereby requests such extension.

If the Examiner determines the prompt allowance of these claims could be facilitated by a telephone conference, the Examiner is invited to contact Marina Portnova at (408) 720-8300.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN LLP

Dated: October 18, 2006

allowance.

Marina Portnova Reg. No. 45,750

12400 Wilshire Boulevard Seventh Floor Los Angeles, CA 90025-1026 (408) 720-8300